



CITY COUNCIL

Public Works Committee

Monday, September 15 2008
Meeting Report

Attendance: M. Goodman-Hinnershitz, Chair, S. Fuhs, D. Sterner

Others Attending: L. Kelleher, C. Younger V. Spencer, D. Hoag, C. Jones, F. Denbowski,

I. Solid Waste and Recycling Report

Mr. Denbowski, Solid Waste Coordinator distributed the 2008 Enterprise Fund report. He stated that the recycling fund collects \$2.5 million annually. There is currently \$1.1 million delinquent (without collection and penalty fines). The highest delinquent account is \$2,379 and the lowest \$1.05. He stated that 90 accounts owe over \$1,000. He noted that only 10% of all trash and recycling bills are delinquent.

Mr. Denbowski stated that \$151,298 accounts have been written off after they were purchased through tax sale, vacant property claim, or purchased by banks. He explained the new collection practices used by the office. Customers are sent to collections quarterly and a 90% success rate has been achieved.

Mr. Denbowski stated that the majority of delinquent accounts are rental properties. He stated that the new housing permit process has improved collections from rental properties. He stated that 750 new applications for trash service have been generated through the housing permit process and 289 properties have been assigned to the City hauler when hauler verification could not be achieved.

Mr. Denbowski explained the changes made to the verification process. He also added that cash and recycling payments are now accepted in the trash office to avoid transferring customers to other City offices.

Mr. Denbowski explained that the City was under charging for recycling for several years. He stated that with an increased recycling fee and more aggressive collections, the recycling fund is now operating at a surplus.

Mr. Waltman arrived at the meeting at this time.

Mr. Denbowski stated that trash and recycling services are not stopped due to delinquency to stop property owners from illegally dumping and other questionable disposal practices. He also noted the reduction of properties without a verified trash hauler. He described the process used to bring properties into

compliance. Mr. Denbowski explained that the process to bring properties into compliance usually requires a hearing at the MDJ level, where the judge orders the owner onto the City's program.

Mr. Denbowski stated that the increase in recycling fees and improved collection practices has generated the first surplus since 2001. He stated that this is the first year that tax paying residents do not subsidize the Recycling Enterprise Fund.

Ms. Kelleher stated that over the past ten years City Council has asked the Administration to use a consolidated or combined billing approach with other utilities or tax bills. She stated that this approach would reduce administrative costs, postage fees, and improved collections. Mr. Denbowski stated that he was asked to look at consolidated billing.

Mr. Waltman noted the need for the Administration to improve its use of the Hansen System and reporting features.

II. Orange and Cherry Street Lot Update

The Committee reviewed the plan attached to the agenda showing the new design for a park and combined off street parking to support the residential development at the old Win Outlet. Mr. Jones stated that the project is going out to bid shortly. The Park Plan has already been approved by the Planning Commission. He stated that park maintenance will be provided by St. James Church and the owner of the Win building.

Mr. Waltman left the Public Works Committee meeting at this time.

Mr. Fuhs expressed the belief that the play equipment shown is insufficient and will not satisfy the needs of older children. He suggested that the play equipment shown be reconsidered in modules for older children be included.

The redesign plan provides the addition of seventeen parking spaces to support the project at the Win Outlet. The new plan provides twenty one off street parking spaces and reserves for ADA parking.

III. East Ends Contract

Ms. Goodman-Hinnershitz called the Committee's attention to the brief prepared by Council Staff and attached to the agenda. The brief covers the history of the property since it was constructed in 1812, proceeding through East Ends ownership.

Ms. Kelleher reported that the building was used for a woolen mill between 1812 until 1814, when it was converted to a resort hotel. She stated that this facility host's large political rally's and was visited frequently by Presidential Candidates. She stated that this hotel was one of the first mineral cure hotels in the United States. She stated that some people came to stay at the hotel for the entire summer. At one time the proprietors of the Reading Eagle operated the property. Following prohibition and the Depression the hotel closed down and was vacant for several years. In 1937 the City rented the building to East Ends to provide a presence. East Ends has occupied the building ever since. The Historical Society suggests that the City place this building on the National Register of Historic Sites due to the history.

Ms. Kelleher stated that the building is 9,384 sq. feet and was listed as a commercial building assessed at \$243,000. In 1994 the assessment was reduced to \$150,000, after the City's appeal to the Assessment Board and the Court of Common Pleas. On October 22, 2002 the building was provided with exempt tax status by the Assessment Board; however the records do not show who filed the application.

Ms. Kelleher stated that the records show the first former lease agreement with East Ends ran from 1974 through 1979. This lease agreement contains provisions for monthly rental payments of \$125 per month. This agreement also required the payment of utilities and real estate taxes. Utilities bills were forwarded to and paid by East Ends; however it is uncertain that East Ends ever reimbursed the City for property taxes.

Ms. Kelleher stated that during the 1996 negotiations it was discovered that East Ends was not reimbursing the City for utility service and the City still provided trash collection. It was also discovered the City that East Ends was not reimbursing the City for property tax payments. During negotiations the City made it clear that East Ends needed to have the utilities switched over, placed maintenance and trash collection responsibility on East Ends and advised the East Ends of the need for reimbursement of property taxes. This lease agreement also raised the monthly rent payments to \$500 monthly and required East Ends to maintain, repair and plow the access road from a point depicted on an attached map. Ms. Kelleher stated that RAWA and Public Works confirmed that utility payments are covered by East Ends. The tax office confirmed that East Ends has a current business license and remits proper payments. Codes confirmed that East Ends has a current health permit. However records showing the proper reimbursement of property taxes previous to 2002 could not be obtained. Ms. Goodman-Hinnershitz inquired if East Ends is a 501c3 organization.

It was noted that neither the City nor East Ends entered into the five year renewable clause. Also noted was the City's ability to terminate the lease by providing a 180 day notice to East Ends. The Public Works Committee asked the Administration to contact East Ends and begin the renegotiation process. Ms. Kelleher noted the difficulty with contacting the East Ends Organization. She suggested that the renegotiation letter be sent certified and contain language stating that the 180 day notice to terminate will begin should East Ends fail to make contact with the City by a stated date.

IV. Public Arts Task Force Update

Mr. Younger distributed a written report drafted by either the Mayor's Office or Managing Director's Office. The report noted that the Public Arts Task Force will be meeting again on October 7th to prepare a proposal that will be presented to the Redevelopment Authority on October 15th. The report suggests the establishment of a 5% fee on commercial and industrial projects over \$100,000 payable at the time the building permits are issued.

Councilor Fuhs noted his request for reconfiguration of the task force that would include City residents and representation from the Planning Commission, Redevelopment Authority, and DID.

Mr. Spencer noted the existence of left over money procured by the Fine Arts Board in possession of the Redevelopment Authority. He inquired about the balance in this account and noted that these funds were to be used to maintain existing public art.

Mr. Fuhs and Mr. Spencer noted the need for an Ordinance to formally create the Public Arts Task Force or Board. They also inquired about the ownership of existing art at buildings.

Mr. Fuhs expressed the belief that public art is a luxury that the City cannot afford. He suggested that the Administration's efforts be placed on correcting the many Administrative problems such as those in accounting and codes. He expressed the belief that this project is receiving more attention then critical issues such as housing permits, blighted properties, etc.

Ms. Goodman-Hinnershitz and Mr. Sterner agreed with the remarks by Mr. Fuhs. The Committee expressed the belief that the Administration should focus on maintenance, accounting, blighted properties,

and codes. They expressed the belief that if the Administration is not properly handling issues like problem properties, how will they manage maintaining expensive public art work.

V. Updates

Mr. Jones distributed a work summary prepared by Black and Veatch on the Waste Water Treatment Plant Upgrades.

PennVest Funding Application

Mr. Jones stated that the Hill Group is charged with the responsibility of applying for funding to support the project.

Storm Water RFP

Mr. Jones reported that seven responses are currently being evaluated. He noted that this is the first time the Storm Water Utility Method has ever been applied in Pennsylvania. He stated that a consultant will be asked to research the ability of the City to begin this project.

Consent Decree (CR report provided)

Mr. Jones stated that Black and Veatch and the City are looking at various approaches to moving the pumping station to accommodate the Giannasca project.

Mr. Jones stated that monthly reports, beginning in October, will be prepared by the Hill Weston Consultants.

The Committee inquired if any major contracts are up coming. Mr. Jones replied that the next major project will be for smoke testing at the collections system.

The Committee requested notification about upcoming bids for the Waste Water Treatment Plant project.

Mr. Jones explained that the Hill Group will manage the construction portion of the project and Black and Veatch's participation will decrease during the construction phase. He stated that the initial design will be complete in September and sent for value engineering.

VI. Bernhart's Dam Update

Mr. Jones stated that no progress has been made with the PA DEP. DEP is still requiring an inspection of the dam breast which requires the City to drain the dam. Mr. Jones reported that it is believed that there are small leaks in the dam breast. He noted the difficulty in draining the lake as the hand valves have not been operated for approximately 50 years.

Respectfully submitted by Linda Kelleher, City Clerk